

January 28, 2020

Dwarkadhish Cotspin Private Limited: Rating Withdrawn

Summary of rating action

Instrument	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Action
Term loan	49.70	49.70	[ICRA]B+ (Stable); ISSUER NOT COOPERATING; Withdrawn
Working capital limits	14.00	14.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING: withdrawn
Short term Non-fund based limits	3.44	3.44	[ICRA]A4; ISSUER NOT COOPERATING: withdrawn
Total	67.14	67.14	

Rationale

The long-term ratings assigned to Dwarkadhish Cotspin Private Limited (DCPL) have been withdrawn at the request of the company, based on the no-objection certificate provided by its banker. ICRA is withdrawing the rating and that it does not have information to suggest that the credit risk has changed since the time the rating was last reviewed. ICRA has withdrawn the Stable outlook on the long-term rating.

Key rating drivers and their description

Key rating drivers have not been captured as the rating is being withdrawn.

Liquidity position

Not captured as the rating is being withdrawn.

Rating sensitivities

Not captured as the rating is being withdrawn.

Analytical approach:

Analytical Approach	Comments
Applicable Rating Methodologies	Corporate Credit Rating Methodology ICRA's Policy on Withdrawal and Suspension of Credit Rating
Parent/Group Support	Not Applicable
Consolidation / Standalone	Not Applicable

About the company:

Dwarkadhish Cotspin Private Limited (DCPL) was incorporated in May 2011 by Mr. Deepak Patel along with other directors. The company is engaged in spinning of cotton yarn and is based at Surendranagar, Gujarat. Before setting up of cotton spinning plant, the promoters were involved in ginning and pressing of raw cotton as well as crushing of cottonseeds to produce cottonseed oil through another concern by the name of Shree Jaydeep Ginning Factory. Looking to the future demand and availability of raw material the promoters had planned for forward integration by setting up

spinning unit to manufacture 30s, 32s and 40s combed hosiery yarn. Dwarkadhish Cotspin Private limited had installed 14688 spindles and expanded further by installing 10,000 additional spindles capable of manufacturing 30s, 32s and 40s 2 compact combed hosiery yarn. The commercial production from newly installed spindles commenced from October 12, 2015. DCPL has generated revenue mainly through sale in domestic market. The major customers of DCPL are based out of Gujarat. DCPL is not directly involved in exports but sells through merchant exporters.

The previous detailed rating rationale is available on the following link: [Click here](#)

Key financial indicators – (Audited)

	FY2017	FY2018
Operating Income (Rs. crore)	110.01	111.34
PAT (Rs. crore)	4.82	3.89
OPBDIT/ OI (%)	7.2%	7.7%
RoCE (%)	10.60%	7.25%
Total Outside Liabilities/Tangible Net Worth (times)	-	-
Total Debt/OPBDIT (times)	7.18	5.58
Interest Coverage (times)	-	-
DSCR	1.25	1.17

Status of non-cooperation with previous CRA: Not applicable

Any other information: None

Rating history for last three years:

All figures in Rs. Crore

All figures in Rs. Crore								
	Instrument	Rating (FY2020)				Rating History for the Past 3 Years		
		Type	Amount Rated	Amount Outstanding	Current Rating	FY2019	FY2018	FY2017
					28-Jan-2020	21-Feb-2019	24-Aug-2017	-
1	Term loan	Long Term	49.70	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING; Withdrawn	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-
2	Cash Credit	Long Term	14.00	-	[ICRA]B+ (Stable); ISSUER NOT COOPERATING; withdrawn	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	[ICRA]B+ (Stable); ISSUER NOT COOPERATING	-
3	Bank Guarantee	Short Term	3.00	-	[ICRA]A4; ISSUER NOT COOPERATING; withdrawn	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	-
4	Credit Exposure Limit	Short Term	0.44	-	[ICRA]A4; ISSUER NOT COOPERATING; withdrawn	[ICRA]A4; ISSUER NOT COOPERATING	[ICRA]A4; ISSUER NOT COOPERATING	-

Complexity level of the rated instrument:

ICRA has classified various instruments based on their complexity as "Simple", "Complex" and "Highly Complex". The classification of instruments according to their complexity levels is available on the website www.icra.in

Annexure-1: Instrument Details

ISIN No	Instrument Name	Date of Issuance / Sanction	Coupon Rate	Maturity Date	Amount Rated (Rs. crore)	Current Rating and Outlook
NA	Term loan	NA	NA	NA	49.70	[ICRA]B+ (Stable); ISSUER NOT COOPERATING; Withdrawn
NA	Cash Credit	NA	NA	NA	14.00	[ICRA]B+ (Stable); ISSUER NOT COOPERATING: withdrawn
NA	Bank Guarantee	NA	NA	NA	3.00	[ICRA]A4; ISSUER NOT COOPERATING: withdrawn
NA	Credit Exposure Limit	NA	NA	NA	0.44	[ICRA]A4; ISSUER NOT COOPERATING: withdrawn

Source: Dwarkadhish Cotspin Private Limited(DCPL)

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